

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

0 3 -- 0 3

2. STATE

MO

3. PROGRAM IDENTIFICATION: TITLE XIX OF  
THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

January 1, 2003

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 431, Subpart M; 42cCFR 432

7. FEDERAL BUDGET IMPACT:

a. FFY 2003 \$0

b. FFY 2004 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.16-066

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

*Missouri (03-03)*

*approved: 04/30/03  
effective: 01/01/03*

10. SUBJECT OF AMENDMENT: Cooperative agreement between the Department of Social Services, Division of Medical Services (DSS/DMS), and the Department of Elementary and Secondary Education, Division of Vocational Rehabilitation (DESE/DVR), relating to State Plan Personal Attendant Services and the Independent Living Waiver Programs. The amended agreement incorporates language: to specifically address the State Plan services administered by DESE/DVR, the appeal/hearing process administered by DESE/DVR, that acknowledges that both agencies are covered by HIPAA, and clarifying the FFP submittals to DSS/DMS by DESE/DVR.

11. GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *cc*  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPE NAME:

Steve Roling

14. TITLE:

Director

15. DATE SUBMITTED:

3/21/03

16. RETURN TO:

Department of Social Services  
Division of Medical Services  
615 Howerton Court  
P.O. Box 6500  
Jefferson City, MO 65109

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

03/24/03

18. DATE APPROVED:

*4/30/03*

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

*01/01/03*

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

ARA for Medicaid & Children's Health

23. REMARKS:

CC:

Roling

Vadner

Waite

CO

DSB DIATA

SPA CONTROL

Date Submitted: 03/21/03

Date Received: 03/24/03

**COOPERATIVE AGREEMENT**  
**between the**  
**MISSOURI DEPARTMENT OF SOCIAL SERVICES**  
**and the**  
**MISSOURI DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION**  
**Division of Vocational Rehabilitation**  
**relating to**  
**State Plan Personal Care Assistance and the**  
**Independent Living Waiver Programs**

This agreement concerns the administration of the State Plan Personal Care Assistance and the Independent Living Waiver Programs for Medicaid eligible persons with disabilities receiving these Programs' services through the Missouri Department of Elementary and Secondary Education, Division of Vocational Rehabilitation (DESE/DVR).

This Agreement is a cooperative agreement between the Missouri Department of Social Services, Division of Medical Services (DSS/DMS), and the Missouri Department of Elementary and Secondary Education, Division of Vocational Rehabilitation (DESE/DVR). The Department of Social Services (DSS) is the designated single state agency for the administration of the Title XIX Medicaid Program in Missouri, and the Division of Medical Services (DMS) is the Division within DSS which directly manages the Medicaid program operations. The Division of Vocational Rehabilitation (DVR) is the statutorily authorized agency which has administrative charge and control of the administration of the State Plan Personal Care Assistance and the Independent Living Waiver Programs.

**I PURPOSE**

This Agreement is entered into for the purpose of efficiently and effectively carrying out the implementation and administration of the State Plan Personal Care Assistance and the Independent Living Waiver Programs. This agreement complies with the requirements of 45 CFR Part 95.507 (6).

**II DEFINITIONS**

For purposes of this Agreement, the parties agree that the following definitions shall apply:

- A. Department of Social Services (DSS) shall mean the Missouri Department of Social Services, which is the designated single state agency for administration of the Medicaid program.
- B. Department of Elementary and Secondary Education (DESE), Division of Vocational Rehabilitation (DVR), shall mean the Missouri Department of Elementary and Secondary Education (DESE), Division of Vocational Rehabilitation (DVR), which is the designated agency which has administrative control of the State Plan Personal Care Assistance and the Independent Living Waiver Programs.
- C. Division of Medical Services (DMS) shall mean the Division with the Department of Social

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Services which administers Title XIX (Medicaid) program operations in Missouri.

- D. Director of Social Services shall mean the Director of Missouri Department of Social Services.
- E. Assistant Commissioner of Vocational Rehabilitation shall mean the Assistant Commissioner of the Missouri Division of Vocational Rehabilitation, Department of Elementary and Secondary Education.
- F. Federal Financial Participation (FFP) shall mean that match provided by the federal government, pursuant to federal law and regulation, to fund services authorized under an approved Medicaid Plan.

### III RESPECTIVE RESPONSIBILITIES

- A. Department of Elementary and Secondary Education, Division of Vocational Rehabilitation

The Division of Vocational Rehabilitation of the Department of Elementary and Secondary Education will conduct all activities, recognizing the authority of the single State Medicaid agency in the administration of the State Medicaid Plan to issue policies, rules and regulations on program matters. The Department of Elementary and Secondary Education, Division of Vocational Rehabilitation, agrees to:

- 1. Provide staff, including skilled professional personnel and direct support personnel, necessary for fulfillment of the primary terms and conditions of this Agreement. DESE/DVR shall also provide staff necessary for the clerical, supervisory and research and evaluation duties necessary to fulfill the terms and conditions of this Agreement not otherwise provided as indirect support through the Division's indirect rate.
- 2. Through the written agreements DESE/DVR maintains with the Centers for Independent Living, perform specific activities which are necessary for proper and efficient administration of the State Plan Personal Care Assistance and the Independent Living Waiver Programs including:
  - a. Determining eligibility for the State Plan Personal Care Assistance and Independent Living Waiver Programs according to criteria defined in the State Plan and the Independent Living Waiver application.
  - b. Periodic utilization review, including the assessment of the necessity and for the adequacy of the State Plan and Waiver services required by the recipients. This activity is to permit only the utilization of such care services which are necessary and to assure that payments are consistent with efficiency, economy, and quality of care.
- 3. Develop standards and procedures for providers' enrollment, service delivery, documentation and monitoring.
- 4. Conduct provider relation activities necessary for the administration of the State Plan

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## Personal Care Assistance and the Independent Living Waiver Programs.

5. Prepare, with assistance and review by DMS, material to be published regarding the State Plan and Waiver Programs, including manuals, bulletins, reports, and recipient notices. DVR assures that any written materials distributed by contract service coordination staff are subject to the review and approval of both DVR and DSS.
6. Participate in Medicaid training that may be deemed necessary by the Directors of DSS or DESE/DVR.
7. Set rates for providers of the State Plan Personal Care Assistance and the Independent Living Waiver services, not to exceed the maximum amount as stated in the Independent Living Waiver or appropriated by the Missouri legislature.
8. Account for the activities of staff whose costs are not already federally funded, for which Medicaid administrative reimbursement is requested in accordance with approved cost allocation plans and provisions of OMB Circular A-87 and 45 CFR parts 74 and 95.
9. Provide as requested by DSS the information necessary to request FFP. Costs claimed for services provided by DESE/DVR will be supported by a written agreement that includes, at a minimum, (1) the specific service(s) being purchased; (2) bill the Medicaid program in accordance with procedures outlined in the Medicaid Provider Manual(s) or as specified in the agreement; (3) the basis upon which the billing will be made by DESE/DVR (e.g. time reports, etc.) as outlined in the format provided by the Department of Social Services, Division of Budget and Finance (DSS/DBF) of Attachment A of this agreement; and (4) a stipulation that the billing will be based on the actual cost incurred.
10. Be responsible for any federal funds which are deferred or ultimately disallowed arising from a failure to comply with a federal requirement, unless the deferral or disallowance is a result of DMS failing to submit in a proper format or a timely manner amendments to the State Plan or the Independent Living Waiver proposed by DVR required for the administration of these programs. Timeliness will be measured based on the complexity of the issue(s) involved and whether the proposed State Plan or Waiver amendment can be processed without obtaining additional information from DVR. DVR will provide DMS all information required to submit a State Plan or Waiver amendment at least 15 working days before the amendment is to be submitted to CMS.
11. On behalf of DSS/DMS, conduct hearings in accordance with 42 CFR sections 431.200 to 431.250 for persons who have appealed denial, reduction, or termination of the State Plan Personal Care Assistance or Independent Living Waiver services by the Centers for Independent Living; inform DSS/DMS of hearing results on a quarterly basis.
12. Provide as requested by DSS the information necessary to conduct state and/or federal audits.
13. Maintain the confidentiality of client records and eligibility information received from

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DSS and use that information only in the activities authorized under this agreement.

Both DVR/DESE and DSS/DMS are entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and are required to protect the privacy of individually identifiable health information. It is anticipated that the departments will be entering into future agreements under which the parties and their employees, affiliates, agents or representatives may access protected health information, as defined by HIPAA, from one another.

B. Department of Social Services

The Department of Social Services shall:

1. Reimburse DVR the Title XIX federal share of actual and reasonable costs for administration provided by DVR staff based on a time-accounting system which is in accordance with the provisions of OMB circular A-87 and 45 CFR parts 74 and 95. Administrative costs include costs necessary to collect data, disseminate information and carry out all DVR staff functions outlined in this agreement.

The rate of reimbursement for eligible administrative costs will be 50%, if claimed in accordance with the provisions of 42 CFR 432. The rate of reimbursement for eligible costs qualifying under regulations applicable to Skilled Professional Medical Personnel and their support staff (compensation, travel and training), will be reimbursed at 75% when qualified under 42 CFR 432. Changes in federal regulations affecting the matching percentage and/or costs eligible for enhanced or administrative match, which become effective subsequent to the execution of this agreement, will be applied as provided in the regulations.

Reimbursement of the federal share shall be provided upon receipt of quarterly financial statements certified by the Department of Elementary and Secondary Education, Division of Vocational Rehabilitation, for eligible claims prepared in accordance with applicable federal regulations.

2. Participate in Medicaid related training that may be deemed necessary by the Director(s) of DSS or DESE/DVR for the execution of the provisions of this agreement.
3. Determine recipients' eligibility for Medicaid.
4. Conduct reviews of the State Plan Personal Care Assistance and the Independent Living Waiver Programs to evaluate the quality of services provided and to ensure compliance with all state and federal laws and regulations for these services.
5. Assist DVR in preparing and reviewing material to be published regarding the State Plan Personal Care Assistance and the Independent Living Waiver Programs, including manuals, bulletins, reports and recipient notices.
6. Maintain the confidentiality of client records and all other client information obtained from DVR and use that information only in the activities authorized under this

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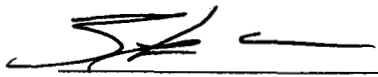
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agreement.

Both DVR/DESE and DSS/DMS are entities covered by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and are required to protect the privacy of individually identifiable health information. It is anticipated that the departments will be entering into future agreements under which the parties and their employees, affiliates, agents or representatives may access protected health information, as defined by HIPAA, from one another.

#### IV TERMS OF THE AGREEMENT

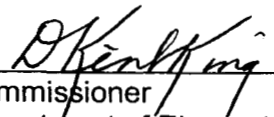
The period of this Agreement shall begin January 1, 2003, and shall remain in effect as long as the State Plan Personal Care Assistance and the Independent Living Waiver Programs, administered by Department of Elementary and Secondary Education, Division of Vocational Rehabilitation, remain approved Programs. This Agreement may be modified at any time by the written agreement of both parties and it may be canceled by either party after giving 30 days prior notice in writing to the other party.

  
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Director  
Department of Social Services


Date: 3/21/03

  
\_\_\_\_\_  
Director  
Division of Medical Services

Date: 3-21-03

  
\_\_\_\_\_  
Commissioner  
Department of Elementary and  
Secondary Education

Date: 2/27/03

  
\_\_\_\_\_  
Assistant Commissioner  
Division of Vocational  
Rehabilitation

Date: 2/25/03

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## Documentation of Claims

**This agreement identifies the basis upon which claims will be documented by the Department of Elementary and Secondary Education ("the Agency") for expenditures funded by Title XIX Administration for the purposes specified under this agreement:**

**General Provision:**

- 1) All costs must satisfy the general provisions for allowability of costs as defined in OMB Circular A-87.
- 2) All costs must satisfy the specific provisions for allowability of costs as defined by all applicable Federal program rules.
- 3) DSS shall only reimburse the allowable Federal share specified by the program.
- 4) All matching funds supporting the billing must be consistent with applicable Federal regulations governing such funds and certified by the Agency with each billing.
- 5) Any deferrals, disallowances, questioned costs, or any other items not allowed for Federal Financial participation, claimed by DSS on behalf of the Agency, shall be returned either to DSS or directly to the Federal agency (as determined by DSS) by the Agency.
- 6) Billings will be based on the actual cost incurred.

**Framework:**

**45 CFR Part 95.507 (6)** "...costs...for services provided by a governmental agency outside the State agency. .. will be supported by a written agreement that includes, at a minimum (i) the specific service(s) being purchase, (ii) the basis upon which the billing will be made by the provider agency (e.g. time reports, number of homes inspected, etc.) and (iii) a stipulation that the billing will be based on the actual cost incurred."

**Documentation standards - basis upon which the billings will be made:**

**Salaries and Wages:** Please refer to OMB Circular A-87, Attachment - Selected Items of Cost, Section 11 - Support of Salaries and Wages.

*Check the item(s) that apply:*

  X   Employees will work solely on activities funded by Title XIX Administration for the purposes specified under this agreement. Employee payroll records will support the documentation requirements. The Agency agrees to periodically certify that these employees worked solely on that program for the period covered by the certification. Certifications will be prepared at least semi-annually and be maintained by the Agency for inspection by DSS or the Federal agency as they may require.

  X   Employees work on multiple activities or cost objectives in addition to the activities funded by Title XIX Administration for the purposes specified under this agreement. Distribution of their salaries or wages will be supported by personnel activity reports that:

- a) reflect an after the fact distribution of the actual Title XIX Administration activity reimbursable under the purposes of this agreement of each employee, and;
- b) account for the TOTAL activity for which each employee is compensated, and;
- c) be prepared at least monthly and coincide with one or more pay period.

and/or

Will be supported by a statistical sampling system or other substitute system.

*[If the cost will be supported by a statistical sampling system or other substitute system, you must attach a detailed description of your allocation methodology. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]*

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**Expense and Equipment:** Please refer to OMB Circular A-87 Attachment A, Section D, Composition of Cost, and OMB Circular A-87 Attachment B - Selected Items of Cost.

Check the item(s) that apply:

- ☒ Direct costs: Costs of materials acquired, consumed, or expended benefit only Title XIX Administration for the purposes specified under the agreement.
- ☐ Allocable Costs: Costs are chargeable or assignable in part to Title XIX Administration for the purposes authorized under this agreement in accordance with relative benefits received.

*[If expense and equipment items are allocable you must attach detailed description of the methodology you will utilize to assign those costs in accordance with the relative benefits received under this agreement. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]*

**Automated Data Processing Costs:** Please refer to 45 CFR Part 95 Subpart F.

Check the item(s) that apply:

- ☒ Costs for automated data processing equipment and services will not be included as a direct charge to Title XIX Administration for the purposes under this interagency agreement.
- ☐ Costs for automatic data processing equipment and services will be included as a direct charge to Title XIX Administration for the purposes under this interagency agreement. We have complied with all provisions 45 CFR Part 95, Subpart F.
- ☐ Direct Costs: Costs for automated data processing equipment and services will be included as a direct charge for those costs that benefit only Title XIX Administration for the purpose specified under this agreement.
- ☐ Allocable Costs: Costs for automated data processing equipment and services will be included as chargeable or assignable to Title XIX Administration for the purposes authorized under this agreement in accordance with relative benefits received.

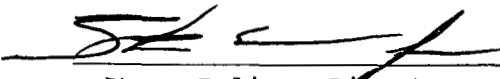
*[If automated data processing costs are allocable you must attach detailed description of the methodology you will utilize to assign those costs in accordance with the relative benefits received under this agreement. Any changes to that methodology implemented after execution of this agreement will require an amendment to this agreement.]*

**Indirect Costs:**

Check the item that applies:


- ☒ State agency indirect costs will not be included.
- ☐ State agency indirect costs will be included. They have been approved as evidenced by our Federally Approved Indirect Cost Negotiation Agreement.

*[If indirect costs are to be included, you must attach a copy of your current Federally Approved Indirect Cost Negotiation Agreement. The annual or bi-annual changes to indirect cost rates - provided they have been approved in your Federally Approved Indirect Cost Negotiation Agreement - will be allowed and will not require an amendment to this agreement, provided that a copy of the newly approved agreement is provided to the DSS Division of Budget and Finance.]*

  
Steve Roling, Director  
Department of Social Services

Date

3/21/03

  
Director, Department of Elementary and Secondary Education

Date

2/27/03

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Effective Date: January 1, 2003

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Approval Date: 4/30/03